

FISCAL NOTE

SB 3894 - HB 4010

March 22, 2006

SUMMARY OF BILL: Extends the grace period for notice of the addition of a newborn to a health insurance policy and the payment of the required premium in instances where a major health problem existed during the initial grace period for 30 days.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Increase Local Expenditures – Not Significant

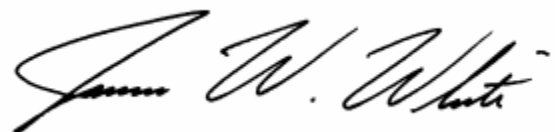
Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation will not have a significant impact on the cost of health insurance premiums because several of the major health insurance policies currently provide an extension for payment of the required premium for a newborn.

Assumptions:

- The Department of Commerce and Insurance will not incur a significant increase in state expenditures to review and approve forms, policies, certificates, and contracts to ensure compliance. Any increase in the Department's workload can be absorbed within existing resources.
- Currently, the state and local govt. health plans offer an additional 30 day grace period beyond the original 30 day period for payment of the premium for a newborn.
- Local govt. health plans that are not part of the state health plans will not incur a significant increase in local expenditures due to most major health insurance policies offer an extension.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly distinguishable.

James W. White, Executive Director